

IC 12-19-7.5

Chapter 7.5. County Financing of Children's Psychiatric Residential Treatment Services for Medicaid Eligible Children

IC 12-19-7.5-1

"Children's psychiatric residential treatment services"

Sec. 1. As used in this chapter, "children's psychiatric residential treatment services" means services that are:

- (1) eligible for federal financial participation under the state Medicaid plan; and
- (2) provided to individuals less than twenty-one (21) years of age who are:
 - (A) eligible for services under the state Medicaid plan;
 - (B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and
 - (C) residing in a private psychiatric residential facility for the purposes of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-2

"Fund"

Sec. 2. As used in this chapter, "fund" means the children's psychiatric residential treatment services fund established by section 5 of this chapter.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-3

"Private psychiatric residential treatment facility"

Sec. 3. As used in this chapter, "private psychiatric residential treatment facility" means a privately owned and operated facility that:

- (1) provides inpatient treatment to individuals less than twenty-one (21) years of age for mental health conditions;
- (2) is licensed or certified by:
 - (A) the department; or
 - (B) the division of mental health and addiction;to provide children's psychiatric residential treatment services; and
- (3) is enrolled in the state Medicaid program as a provider eligible to provide children's psychiatric residential treatment services.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.67.

IC 12-19-7.5-4

"State Medicaid plan"

Sec. 4. As used in this chapter, "state Medicaid plan" means the state plan approved by the United States Department of Health and

Human Services for purposes of federal financial participation, under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-5

Fund established; levy

Sec. 5. (a) A children's psychiatric residential treatment services fund is established in each county. The fund shall be raised by a separate tax levy (the county children's psychiatric residential treatment services property tax levy) that:

- (1) is in addition to all other tax levies authorized; and
- (2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 8 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the children's psychiatric residential treatment services fund:

- (1) All receipts from the tax imposed under this section.
- (2) All grants-in-aid, whether received from the federal government or state government.
- (3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.68.

IC 12-19-7.5-6

Children's psychiatric residential treatment services property tax levy; review and enforcement of requirements

Sec. 6. (a) For taxes first due and payable in each year after 2005, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the county children's psychiatric residential treatment services property tax levy necessary to pay the costs of children's psychiatric residential treatment services of the county for the next fiscal year.

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

As added by P.L.224-2003, SEC.92. Amended by P.L.1-2004, SEC.53 and P.L.23-2004, SEC.55; P.L.234-2005, SEC.69.

IC 12-19-7.5-7

(Repealed by P.L.234-2005, SEC.192.)

IC 12-19-7.5-8

Adoption of children's psychiatric residential treatment services budget

Sec. 8. (a) For purposes of this section, "expenses and obligations incurred by the department" include all anticipated costs of children's residential psychiatric services that are equal to the state share of the cost of those services that are reimbursable under the state Medicaid plan.

(b) The department, upon the advice of the judges of the courts with juvenile jurisdiction in the county and after consulting with the division of family resources, shall annually compile and adopt a children's psychiatric residential treatment services budget, which must be in a form prescribed by the state board of accounts.

(c) The budget must contain an estimate of the amount of money that will be needed by the department during the fiscal year to defray the expenses and obligations incurred by the department in the payment of children's psychiatric residential treatment services for children who are residents of the county.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.70.

IC 12-19-7.5-9

Computation of tax levy

Sec. 9. The department shall, with the assistance of the judges of courts with juvenile jurisdiction in the county, after consulting with the division of family resources, and at the same time the budget is compiled and adopted, compute the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 8 of this chapter.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.71.

IC 12-19-7.5-10

Repealed

(Repealed by P.L.234-2005, SEC.192.)

IC 12-19-7.5-11

Certification and filing of recommended budget and tax levy

Sec. 11. The budget and tax levy recommended by the department shall be:

- (1) certified to the county auditor;
- (2) filed with the county fiscal body; and
- (3) filed with the department of local government finance.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.72.

IC 12-19-7.5-12

Budget format; filing procedure

Sec. 12. Except as otherwise provided, a budget submitted under

section 11 of this chapter must be prepared and filed in the same form and manner and at the same time as the budgets and estimates of other county officers are prepared and filed.
As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-13

Appropriation and levy of tax

Sec. 13. In September of each year, at the time provided by law, the county fiscal body shall do the following:

- (1) Make the appropriations out of the children's psychiatric residential treatment services fund that are:
 - (A) based on the budget as submitted; and
 - (B) necessary to pay the children's psychiatric residential treatment services of the county for the next fiscal year.
- (2) Levy a tax in an amount necessary to produce the appropriated money.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.73.

IC 12-19-7.5-14

Estimation of funds needed if shortfall; certifying and filing estimate

Sec. 14. (a) If at any time the department determines that the children's psychiatric residential treatment services fund is exhausted or will be exhausted before the close of a fiscal year, the department shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the county office and pay the obligations of the department, excluding administrative expenses and facilities, supplies, and equipment expenses for the department, in the administration of the department's activities for the unexpired part of the fiscal year.

- (b) The department shall do the following:
 - (1) Certify the estimate and statement to the county executive.
 - (2) File the estimate and statement with the county auditor.
 - (3) File the estimate and statement with the department of local government finance.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.74.

IC 12-19-7.5-15

Review by county executive of estimate; borrowing sufficient money; appeal for failure to borrow sufficient money

Sec. 15. (a) The county executive shall consider and act upon an estimate and statement under section 14 of this chapter at:

- (1) the county executive's regular session immediately following the filing of the estimate and statement; or
- (2) a special session that is:
 - (A) called for the purpose of considering and acting upon the estimate and statement; and

(B) called before the executive's regular session described in subdivision (1).

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section 14 of this chapter if after consideration of the estimate and statement the county executive finds the following:

(1) That the department has not certified a recommendation to borrow money under IC 12-19-5.

(2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the county office in the administration of the county's children's psychiatric residential treatment services for the unexpired part of the fiscal year is greater than the amount of money that may be advanced from the general fund of the county.

(c) If the county executive fails to borrow sufficient money to carry out the purposes under section 14 of this chapter either under this chapter or IC 12-19-5, the department may appeal to the department of local government finance for a determination. A copy of the appeal must be filed with the county fiscal body. The department of local government finance shall immediately conduct a hearing in the county on an appeal filed under this subsection. If the department determines that insufficient money is available to carry out the purposes under section 14 of this chapter, the department of local government finance shall issue an appropriate order. The order may allow the county to reduce its general fund budget and transfer sufficient money to the fund or require the county to borrow money for the fund to carry out the purposes under section 14 of this chapter.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.75.

IC 12-19-7.5-16

Required findings; county executive; notice to county fiscal body

Sec. 16. (a) Before making a loan under section 15 of this chapter, the county executive shall record a finding that the amount of money that will be required is greater than the amount of money that may be advanced from the general fund of the county. The finding must:

(1) set forth the estimated requirements of the county office; and

(2) direct the county auditor to call the county fiscal body into special session for the purpose of considering the making of the loan.

(b) In the notice of the special session of the county fiscal body, the auditor shall include a statement of the estimated amount of the proposed loan.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-17

County fiscal body; ordinance required; borrowing authorization

Sec. 17. (a) In authorizing a loan under section 15 of this chapter, the county fiscal body:

- (1) shall act by ordinance; and
- (2) may adopt the ordinance under this section at a regular meeting without giving special notice if requested by the county executive.

(b) The county fiscal body may:

- (1) finally adopt the ordinance at the meeting at which the ordinance is first presented; or
- (2) adjourn from day to day for further consideration of the ordinance.

(c) The county fiscal body is not required to make an itemized appropriation of the proceeds of the bonds at the time the bonds are issued. Except as provided in section 26 of this chapter, the entire proceeds of the bonds:

- (1) shall be placed in the children's psychiatric residential treatment services fund; and
- (2) are periodically subject to appropriation as required by this article.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-18

Ordinance authorizing loan requirements

Sec. 18. An ordinance adopted by the county fiscal body authorizing a loan under this chapter must do the following:

- (1) Authorize the issuance of the bonds of the county to evidence the loan.
- (2) Fix the following:
 - (A) The loan's maximum amount, which may not be less than the amount shown by the estimate of the department.
 - (B) The number of semiannual series in which the bonds are payable, which may not exceed twenty (20).

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.76.

IC 12-19-7.5-19

Bonds; requirements

Sec. 19. The following apply to bonds issued under this chapter:

- (1) The bonds shall be issued so that one (1) series will be payable June 30 and one (1) series December 31 of each year in which bonds are payable.
- (2) The series must be as nearly equal as possible, considering the following:
 - (A) The amount of the issue.
 - (B) The number of serial maturities.
 - (C) The denominations to be used.
- (3) The first series of bonds and the first interest payments must be payable June 30 of the year following the establishing of the annual tax levies immediately following the date of the issue.
- (4) The county fiscal body may provide that the first two (2)

series of bonds mature in the year following the year in which the bonds were issued if:

(A) issuance of the bonds is authorized by the county fiscal body at the fiscal body's regular meeting held for the purpose of establishing tax levies for the following year; and

(B) provision is made for the payment of the bonds and interest that are payable in the following year.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-20

Additional loans

Sec. 20. If the proceeds of the bonds authorized under this chapter are insufficient to enable the county to administer the child services of the county for the unexpired part of the fiscal year, additional loans may be made for that time.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-21

Issuing bonds; county executive responsibilities

Sec. 21. (a) After the adoption of the bond ordinance by the county fiscal body, the county executive shall enter an order that does the following:

(1) Fixes the exact amount of the proposed loan. The amount of the proposed loan must be the maximum amount provided in the bond ordinance less any amount to be advanced from the general fund of the county.

(2) Fixes the exact rate of interest on the bonds or provides that the interest rate must be the lowest interest rate bid on the bonds. The interest rate may not exceed the maximum interest rate provided in the bond ordinance.

(b) The county executive may:

(1) fix the denominations of the bonds; or

(2) provide that the bonds shall be issued in denominations requested by the successful bidder.

(c) The denominations selected under subsection (b) may not change the amount of the serial maturities of the bonds.

(d) The county executive shall adopt the form of bond to be used in the issuance of the bonds. The form shall be substantially followed in the issuance of the bonds.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-22

Issuing bonds; notice of determination

Sec. 22. Upon the adoption of the order of the county executive under section 21 of this chapter, the county auditor shall give notice of the determination to make the loan and to issue the bonds.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-23

Application; laws governing taxpayer appeals and remonstrance

Sec. 23. The provisions of laws concerning the right of a taxpayer to file a remonstrance and to appeal to the department of local government finance apply to this chapter. However, the notice of the determination shall be given in one (1) publication. A taxpayer has ten (10) days after the date of publication to file a remonstrance.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-24

Application; laws governing sale of bonds

Sec. 24. Except as otherwise provided, the provisions of the general laws relating to the preparation and sale of bonds by counties apply to the preparation and sale of bonds issued under this chapter.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-25

Public notice

Sec. 25. (a) Before the sale of bonds under this chapter, the auditor shall publish notice of the sale one (1) time each week for two (2) consecutive weeks. All publications must be made at least seven (7) days before the date fixed for the sale of the bonds. The notice must be published:

- (1) in two (2) newspapers published in the county; and
- (2) one (1) time in a newspaper published in the city of Indianapolis.

(b) If the order of the county executive provides for a bid rate on the bonds, the notice of sale must state the following:

- (1) That the order provides for a bid rate.
- (2) That the highest bidder for the bonds will be the person that offers the lowest net interest cost to the county. The net interest cost shall be determined by:
 - (A) computing the total interest on all of the bonds to maturity; and
 - (B) deducting any premium bid from the total interest determined under clause (A).

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-26

Procedure for selling bonds; unsatisfactory bid

Sec. 26. The auditor shall sell bonds issued under this chapter to the highest bidder. If a satisfactory bid is not received for all of the bonds at the time fixed in the notice of sale, the auditor may do the following:

- (1) Continue the sale from day to day.
- (2) Sell bonds in parcels until otherwise directed by an order of the county executive.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-27

General obligation of county; mandatory levy

Sec. 27. (a) All bonds issued under this chapter:

(1) are direct general obligations of the county issuing the bonds; and

(2) are payable out of unlimited ad valorem taxes that shall be levied and collected on all the taxable property within the county.

(b) Each official and body responsible for the levying of taxes for the county must ensure that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for the payment of the principal and interest, without regard to any other statute. If an official or a body fails or refuses to make or allow a sufficient levy required by this section, the bonds and the interest on the bonds shall be payable out of the general fund of the county without appropriation.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-28

Use of bond proceeds; expenses of bond sale

Sec. 28. (a) Upon approval of the county executive, the auditor may pay out of the proceeds of the bonds without further appropriation the cost of the following:

(1) Publishing the notice of determination and the bond sale notice.

(2) The printing of the bonds.

(3) The expense for legal services incurred in the sale of the bonds.

(4) Reimbursing the general fund for advancements made to the children's psychiatric residential treatment services fund.

(b) The proceeds of the bonds remaining after the payment of the costs of the issuance of the bonds shall be paid into and are a part of the children's psychiatric residential treatment services fund.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-29

Anticipation loans

Sec. 29. The county fiscal body may authorize and make temporary loans for the use and benefit of the children's psychiatric residential treatment services fund in anticipation of current revenues of the county that are actually levied and being collected for the fiscal year in which the loans are authorized and made. Each temporary loan authorized and made under this section must be authorized and made in conformity with IC 36-2-6.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-30

Refunding indebtedness; county fiscal body powers; serial bonds

Sec. 30. Upon the affirmative vote of two-thirds (2/3) of the members of the county fiscal body, a county may issue the county's serial bonds for an amount not exceeding in aggregate the amount for which the county is indebted for the use of the children's psychiatric residential treatment services fund if the following conditions exist:

(1) The indebtedness for the use of the children's psychiatric residential treatment services fund is evidenced by bonds, notes, judgments, or obligations that are:

- (A) issued or negotiated by the county; or
- (B) rendered against the county.

(2) The serial bonds are issued for any of the following purposes:

- (A) Funding or refunding the indebtedness or any part of the indebtedness.
- (B) Reducing the rate of interest on the indebtedness.
- (C) Extending the time of payment of the indebtedness.
- (D) Canceling the amount of the indebtedness that becomes due.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-31

Refunding indebtedness; bond requirements

Sec. 31. The serial bonds issued under section 30 of this chapter:

- (1) may be of any denomination that is:
 - (A) not less than fifty dollars (\$50); and
 - (B) not more than one thousand dollars (\$1,000);
- (2) shall be payable:
 - (A) at any place named on the serial bonds; and
 - (B) at any time not later than fifteen (15) years after the date of the serial bonds;
- (3) may bear any rate of interest, payable annually or semiannually;
- (4) shall be sold at not less than the par value of the bonds; and
- (5) shall be sold in the manner provided for the sale of bonds issued under IC 12-20-23.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-32

Refunding indebtedness; repayment levy

Sec. 32. (a) The county fiscal body shall add to the tax duplicate of the county:

- (1) an annual levy sufficient to pay the yearly interest on the bonds issued under section 30 of this chapter; and
- (2) an annual levy sufficient to provide a sinking fund for the liquidation of the principal as the principal becomes due. The sinking fund shall be applied solely to the payment of the bonds.

(b) If the county fiscal body fails to levy a tax sufficient to pay the interest on the bonds or to liquidate the principal of the bonds as the principal becomes due, the county auditor shall levy the tax or increase the tax levy made by the county fiscal body in the amount necessary to pay the interest and to retire the bonds as the bonds become due.

(c) Notwithstanding any other law, the tax levy may not be reduced below the amount required under this section.

As added by P.L.224-2003, SEC.92.

IC 12-19-7.5-33

Determination of excess funds; payment of debt for juvenile per diem

Sec. 33. (a) A county auditor shall annually, not before January 1 and not later than March 31, determine the amount of any excess funds available in the county children's psychiatric treatment services fund based on the following formula:

STEP ONE: Determine the ending cash balance in the fund for the preceding fiscal year.

STEP TWO: Calculate one-half (1/2) of the actual cost of providing children's psychiatric treatment services for the preceding fiscal year.

STEP THREE: Subtract the amount determined in STEP TWO from the amount determined in STEP ONE.

(b) If the county has a debt for juvenile per diem under IC 11-10-2-3, as determined by the budget agency, the lesser of the amount determined in subsection (a) STEP THREE or the actual debt shall be paid to the state within forty-five (45) days. If the county does not have juvenile debt, the funds remain in the children's psychiatric residential treatment services fund. Funds remaining in the children's psychiatric residential treatment services fund will be considered excess and used to reduce the succeeding year's levy.

As added by P.L.224-2003, SEC.92. Amended by P.L.234-2005, SEC.77.